



September 26, 2005

175943
POSTED
09/23/05

Charles L. A. Terreni, Esquire
Chief Clerk/Administrator
The Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

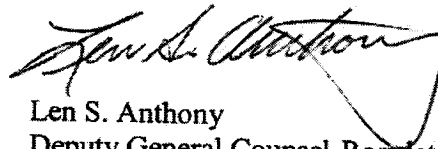
RE: Application of Progress Energy Carolinas, Inc. for Permission to Sell Land that is
No Longer Needed to Provide Utility Service
Docket No. 2005-293E

Dear Mr. Terreni:

Enclosed for filing are an original and 10 copies of Progress Energy Carolinas, Inc.'s Application to Sell Land that is No Longer Needed to Provide Utility Service. S.C. Code Ann. § 58-27-1300 provides that the Commission may, in its discretion, set applications for the disposition of utility property for hearing. Given that the property in question is located in North Carolina, PEC requests that the Commission exercise its discretion and waive publication of notice of the filing of this Application.

Please do not hesitate to contact me if you have questions regarding this filing.

Very truly yours,



Len S. Anthony
Deputy General Counsel-Regulatory Affairs

LSA:mhm

cc: Mr. John Flitter

227613

RECEIVED

SEP 23 2005

PSC SC
MAIL / DMS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-243E

September 26, 2005

In the Matter of)	
)	
Application of Progress Energy)	APPLICATION
Carolinas, Inc. For Permission To Sell)	
Land That Is No Longer Needed To)	
Provide Utility Service)	

Pursuant to the Public Service Commission of South Carolina's (the "Commission") Rules 103-830, 103-831, and 103-834 and S.C. Code Ann. § 58-27-1300 (1976) as amended, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ("PEC") applies to the Commission for permission to sell certain land that is not needed to provide electric utility service. In support thereof, PEC shows the following:

1. The name and address of the applicant is:

Progress Energy Carolinas, Inc.
Post Office Box 1551
Raleigh, North Carolina 27602

PEC is an electric utility incorporated in the State of North Carolina and authorized to do business in South Carolina. PEC generates, transmits and delivers electricity to the citizens of North and South Carolina.

2. The attorney for PEC to whom all correspondence should be directed is:

Len S. Anthony, Deputy General Counsel
Post Office Box 1551
Raleigh, North Carolina 27602
(919) 546-6367
Len.S.Anthony@pgnmail.com

3. Through purchases made in 1964 and 1989 PEC acquired 236 acres and 6 acres respectively in Person County, North Carolina. The properties are contiguous. The original purchase price of the 236 acres was \$17,774. The original purchase price of the 6 acres was \$820. Thus, the total original purchase price was \$18,594. There are no buildings on the property. The majority of the property was purchased for the impoundment of Lake Mayo and the construction of the steam generation plant. PEC has now determined that the land is no longer required for the generation of electricity.

4. PEC marketed the property for 30 days and has accepted the highest offer which is \$1,205,000.00. PEC obtained a broker's opinion of the value of the property, a copy of which is attached hereto, that indicates the property is worth \$670,000.00. The gain on sale of the 236 acres is \$1,157,350.24. The gain on the 6 acres is \$29,056.04.

5. The property that was purchased in 1964 is in FERC Account No. 105, Held for Future Use. The property purchased in 1989 is in FERC Account No. 101, Electric Plant in Service.

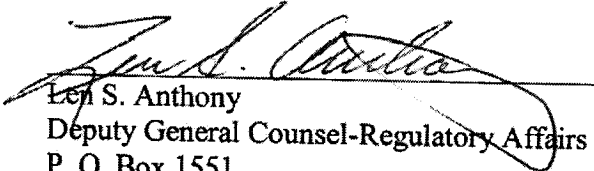
6. S.C. Code Ann. § 58-27-1300 provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than \$1 million. Therefore, PEC applies to the Commission for permission to sell the land in question.

7. PEC's proposed accounting treatment for this transaction is as follows:
FERC Account No. 101 will be credited for the book value of the 1989 property; FERC
Account No. 105 will be credited for the book value of the 1964 property; and FERC
Account No. 421.1, Gain on Disposition of Property, will be credited for the difference
between the book value and sale price.

WHEREFORE, PEC applies to the Commission, pursuant to S.C. Code Ann. §
58-27-1300 (1976) as amended, for an order approving the sale of the subject property.

Respectfully submitted this 26th day of September, 2005.

PROGRESS ENERGY CAROLINAS, INC.


Len S. Anthony
Deputy General Counsel-Regulatory Affairs
P. O. Box 1551
Raleigh, North Carolina 27602
(919) 546-6367

VERIFICATION

STATE OF NORTH CAROLINA

COUNTY OF WAKE

The undersigned, Jeffrey M. Stone, being first duly sworn, deposes and says that he is Vice President - Accounting for Progress Energy Service Company; that he has read the forgoing and knows the contents thereof; that the same are true of his own knowledge and believes them to be true.



Jeffrey M. Stone

Sworn to and subscribed to me this 21st day of September, 2005.

Arnette Bescott
Notary Public

My Commission Expires: June 26, 2006

(SEAL)

June
26
2006

<u>Property Name:</u>	Lake Mayo Excess Land
<u>Size:</u>	242 Acres, according to Progress map
<u>Zoning:</u>	R-C Rural Conservation Permitted uses include single family development
<u>Utilities: (location & size)</u>	Well and septic required Local contacts reported hit or miss Perc issues; some sites may be have larger acreage due to issues
required to potential soils	
<u>Topography:</u>	Gently with some fairly steep areas along the shore line.
<u>Road Frontage: (ingress/egress)</u>	Tom Webb Road, an unpaved state maintained road
<u>Items for Consideration:</u>	The property has approximately 8,000 ff +/- of shore line frontage. The lake property may be sold as "lake view" only. access is not available via private
Lake lots.	
<u>Surrounding Land Owners:</u>	Single family residential Admirals Landing s/d & Knolls of Mayo s/d
<u>Subdivision Regulations:</u>	N/A; limited non-agricultural development
<u>Resources for Information:</u>	Local real estate brokers, land developers, Person County Planning & Zoning, County Health Department, on-line GIS data
Person Person County	
<u>Broker Price Opinion:</u>	\$670,000

Additional Information:

***This property review is in no way an appraisal and is simply a broker's opinion of value based upon our estimated highest and best use of the property.**

Lake view lots are currently listed for \$35,000 - \$50,000. The most recent sales with proximity to the subject were \$43,500. Pre-developed value would be approximately \$15,000 - \$20,000 per buildable site. The remaining land has minimal value. Assuming that there are 30 sites on the lake that will Perc, the value would be \$525,000 based on an average of \$17,500 per site value. The remaining "excess" land has an estimated value of \$145,000 for an overall market value of \$670,000 for 242 acres.